

**SENATE BILL**

**No. 24**

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**Introduced by Senator Wright**

**(Principal coauthor: Senator Lowenthal)**

(Principal coauthor: Assembly Member V. Manuel Pérez)

**(Coauthors: Senators Huff and Lieu)**

(Coauthors: Assembly Members Alejo, Davis, Galgiani, Mendoza, Portantino, Solorio, and Swanson)

June 28, 2011

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An act to amend Section 42238 of the Education Code, and to add Sections 33334.30, 33334.31, 33607.6, and 33607.65 to the Health and Safety Code, relating to redevelopment, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 24, as introduced, Wright. Redevelopment.

(1) The Community Redevelopment Law authorizes the establishment of redevelopment agencies in communities to address the effects of blight, as defined, in blighted areas in those communities known as project areas. Existing law requires redevelopment agencies in specified years to remit to the county auditor an amount of revenue, determined in accordance with specified calculations made by the Director of Finance and based on a specified report of the Controller, for deposit in the Educational Revenue Augmentation Fund or Supplemental Educational Revenue Augmentation Fund in each county for allocation to school entities, as prescribed.

This bill would authorize a redevelopment agency to make a voluntary payment to local educational agencies, as defined, from property tax revenues allocated pursuant to a specified provision of existing law for

the 2011–12 fiscal year, in an amount as prescribed. The bill would authorize an agency electing to make the voluntary payment to amend and extend specified redevelopment plan time limitations, as prescribed.

The bill would also authorize certain joint powers authorities to issue bonds, notes, or other evidence of indebtedness and loan the net proceeds to an agency, as prescribed, for purposes of making certain of the above-described voluntary payments to local educational agencies, as specified. The bill would require that a first lien be placed upon the property tax revenues allocated to the legislative body that established the agency, which, in the event that the agency fails to timely repay the loan, the county auditor would be required to reallocate for the payment of any past due amount of the agency's loan.

(2) Existing law requires the Superintendent of Public Instruction to apportion to each school district in the county a revenue amount each fiscal year less a sum that includes amounts received under specified provisions of the Community Redevelopment Law.

The bill would include in the above-described sum the amount of voluntary agency payments by the agencies to the local educational agencies, as specified.

(3) This bill would declare that it is to take effect immediately as an urgency statute.

(4) The California Constitution authorizes the Governor to declare a fiscal emergency and to call the Legislature into special session for that purpose. Governor Schwarzenegger issued a proclamation declaring a fiscal emergency, and calling a special session for this purpose, on December 6, 2010. Governor Brown issued a proclamation on January 20, 2011, declaring and reaffirming that a fiscal emergency exists and stating that his proclamation supersedes the earlier proclamation for purposes of that constitutional provision.

This bill would state that it addresses the fiscal emergency declared and reaffirmed by the Governor by proclamation issued on January 20, 2011, pursuant to the California Constitution.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 42238 of the Education Code is amended  
2 to read:

1     42238. (a) For the 1984–85 fiscal year and each fiscal year  
2 thereafter, the county superintendent of schools shall determine a  
3 revenue limit for each school district in the county pursuant to this  
4 section.

5     (b) The base revenue limit for a fiscal year shall be determined  
6 by adding to the base revenue limit for the prior fiscal year the  
7 following amounts:

8     (1) The inflation adjustment specified in Section 42238.1.

9     (2) For the 1995–96 fiscal year, the equalization adjustment  
10 specified in Section 42238.4.

11     (3) For the 1996–97 fiscal year, the equalization adjustments  
12 specified in Sections 42238.41, 42238.42, and 42238.43.

13     (4) For the 1985–86 fiscal year, the amount per unit of average  
14 daily attendance received in the 1984–85 fiscal year pursuant to  
15 Section 42238.7.

16     (5) For the 1985–86, 1986–87, and 1987–88 fiscal years, the  
17 amount per unit of average daily attendance received in the prior  
18 fiscal year pursuant to Section 42238.8.

19     (6) For the 2004–05 fiscal year, the equalization adjustment  
20 specified in Section 42238.44.

21     (7) For the 2006–07 fiscal year, the equalization adjustment  
22 specified in Section 42238.48.

23     (8) For the 2011–12 fiscal year, the equalization adjustment  
24 specified in Section 42238.49.

25     (c) (1) (A) For the 2010–11 fiscal year, the Superintendent  
26 shall compute an add-on for each school district by adding the  
27 inflation adjustment specified in Section 42238.1 to the adjustment  
28 specified in Section 42238.485.

29     (B) For the 2011–12 fiscal year and each fiscal year thereafter,  
30 the Superintendent shall compute an add-on for each school district  
31 by adding the inflation adjustment specified in Section 42238.1 to  
32 the amount computed pursuant to this paragraph for the prior fiscal  
33 year.

34     (2) Commencing with the 2010–11 fiscal year, the  
35 Superintendent shall compute an add-on for each school district  
36 by dividing each school district’s fiscal year average daily  
37 attendance computed pursuant to Section 42238.5 by the total  
38 adjustments in funding for each district made for the 2007–08  
39 fiscal year pursuant to Section 42238.22 as it read on January 1,  
40 2009.

(d) The sum of the base revenue limit computed pursuant to subdivision (b) and the add-on computed pursuant to subdivision (c) shall be multiplied by the district average daily attendance computed pursuant to Section 42238.5.

(e) For districts electing to compute units of average daily attendance pursuant to paragraph (2) of subdivision (a) of Section 42238.5, the amount computed pursuant to Article 4 (commencing with Section 42280) shall be added to the amount computed in subdivision (c) or (d), as appropriate.

(f) For the 1984–85 fiscal year only, the county superintendent shall reduce the total revenue limit computed in this section by the amount of the decreased employer contributions to the Public Employees’ Retirement System resulting from enactment of Chapter 330 of the Statutes of 1982, offset by any increase in those contributions, as of the 1983–84 fiscal year, resulting from subsequent changes in employer contribution rates.

(g) The reduction required by subdivision (f) shall be calculated as follows:

(1) Determine the amount of employer contributions that would have been made in the 1983–84 fiscal year if the applicable Public Employees’ Retirement System employer contribution rate in effect immediately prior to the enactment of Chapter 330 of the Statutes of 1982 was in effect during the 1983–84 fiscal year.

(2) Subtract from the amount determined in paragraph (1) the greater of subparagraph (A) or (B):

(A) The amount of employer contributions that would have been made in the 1983–84 fiscal year if the applicable Public Employees’ Retirement System employer contribution rate in effect immediately after the enactment of Chapter 330 of the Statutes of 1982 was in effect during the 1983–84 fiscal year.

(B) The actual amount of employer contributions made to the Public Employees’ Retirement System in the 1983–84 fiscal year.

(3) For purposes of this subdivision, employer contributions to the Public Employees’ Retirement System for either of the following shall be excluded from the calculation specified above:

(A) Positions supported totally by federal funds that were subject to supplanting restrictions.

(B) Positions supported, to the extent of employer contributions not exceeding twenty-five thousand dollars (\$25,000) by a single educational agency, from a revenue source determined on the basis

1 of equity to be properly excludable from the provisions of this  
2 subdivision by the Superintendent with the approval of the Director  
3 of Finance.

4 (4) For accounting purposes, the reduction made by this  
5 subdivision may be reflected as an expenditure from appropriate  
6 sources of revenue as directed by the Superintendent.

7 (h) The Superintendent shall apportion to each school district  
8 the amount determined in this section less the sum of:

9 (1) The district's property tax revenue received pursuant to  
10 Chapter 3.5 (commencing with Section 75) and Chapter 6  
11 (commencing with Section 95) of Part 0.5 of Division 1 of the  
12 Revenue and Taxation Code.

13 (2) The amount, if any, received pursuant to Part 18.5  
14 (commencing with Section 38101) of Division 2 of the Revenue  
15 and Taxation Code.

16 (3) The amount, if any, received pursuant to Chapter 3  
17 (commencing with Section 16140) of Part 1 of Division 4 of Title  
18 2 of the Government Code.

19 (4) Prior years' taxes and taxes on the unsecured roll.

20 (5) Fifty percent of the amount received pursuant to Section  
21 41603.

22 (6) (A) The amount, if any, received pursuant to the Community  
23 Redevelopment Law (Part 1 (commencing with Section 33000)  
24 of Division 24 of the Health and Safety Code), except for any  
25 amount received pursuant to Section 33401 or 33676 of the Health  
26 and Safety Code that is used for land acquisition, facility  
27 construction, reconstruction, or remodeling, or deferred  
28 maintenance, except for any amount received pursuant to Section  
29 33492.15 of, paragraph (4) of subdivision (a) of Section 33607.5  
30 of, or Section 33607.7 of, the Health and Safety Code that is  
31 allocated exclusively for educational facilities.

32 (B) *The amount, if any, received pursuant to Section 33607.6*  
33 *of the Health and Safety Code.*

34 (C) *The amount, if any, received pursuant to Section 33334.31*  
35 *of the Health and Safety Code.*

36 (7) For a unified school district, other than a unified school  
37 district that has converted all of its schools to charter status  
38 pursuant to Section 47606, the amount of statewide average  
39 general-purpose funding per unit of average daily attendance  
40 received by school districts for each of four grade level ranges, as

1 computed by the department pursuant to Section 47633, multiplied  
2 by the average daily attendance, in corresponding grade level  
3 ranges, of any pupils who attend charter schools funded pursuant  
4 to Chapter 6 (commencing with Section 47630) of Part 26.8 of  
5 Division 4 for which the district is the sponsoring local educational  
6 agency, as defined in Section 47632, and who reside in and would  
7 otherwise have been eligible to attend a noncharter school of the  
8 district.

9 (i) A transfer of pupils of grades 7 and 8 between an elementary  
10 school district and a high school district shall not result in the  
11 receiving district receiving a revenue limit apportionment for those  
12 pupils that exceeds 105 percent of the statewide average revenue  
13 limit for the type and size of the receiving school district.

14 SEC. 2. Section 33334.30 is added to the Health and Safety  
15 Code, to read:

16 33334.30. An agency whose legislative body is described in  
17 Section 65584.3 of the Government Code shall have satisfied all  
18 of the requirements pertaining to the use and expenditure of, and  
19 any required transfers or payments from, the Low and Moderate  
20 Income Housing Fund set forth in any other provision of this part  
21 or of any other part or any other conflicting provision of law,  
22 provided the agency and its legislative body make the transfers  
23 provided in subdivision (a) and in paragraph (1) of subdivision (b)  
24 of Section 65584.3 of the Government Code. The foregoing is  
25 declaratory of existing law and shall apply notwithstanding any  
26 requirements or limitations that may be placed on the Low and  
27 Moderate Income Housing Fund, including, but not limited to, any  
28 required transfers or payments to be made from the Low and  
29 Moderate Income Housing Fund that may apply to agencies or  
30 their legislative bodies that are not described in Section 65584.3  
31 of the Government Code.

32 SEC. 3. Section 33334.31 is added to the Health and Safety  
33 Code, to read:

34 33334.31. (a) For the 2011–12 fiscal year only, an agency may  
35 make voluntary payments to local educational agencies from taxes  
36 that are allocated to the agency pursuant to Section 33670 by  
37 adoption of the resolution described in subdivision (b). An agency  
38 may suspend all of its allocation to the Low and Moderate Income  
39 Housing Fund required by this part in order to make a voluntary  
40 payment pursuant to this section, unless executed contracts exist

1 that would be impaired if the agency suspended the amount  
2 allocated to the Low and Moderate Income Housing Fund pursuant  
3 to this section. The decision to make voluntary payments, including  
4 the decision to suspend its required allocation pursuant to this  
5 section, is within the sole discretion of the agency.

6 (b) In order to make the payments authorized by this section,  
7 an agency shall adopt and transmit a resolution to the Director of  
8 Finance within 60 days after the effective date of the act adding  
9 this section. In lieu of the agency's allocation to the Low and  
10 Moderate Income Housing Fund, the resolution shall irrevocably  
11 pledge to local educational agencies an amount equal to, and not  
12 less than, the amount that the agency otherwise would have been  
13 required to deposit into its Low and Moderate Income Housing  
14 Fund for the 2011–12 fiscal year based upon a finding that  
15 payments for schools located within the project area, attended by  
16 students residing within the project area, or otherwise benefiting  
17 the project area, will contribute to achieving the goals and  
18 objectives of the redevelopment plan.

19 (c) The amount pledged pursuant to subdivision (b) constitutes  
20 an indebtedness of the agency and shall be allocated among the local  
21 educational agencies in proportion to their respective percentage  
22 share of property taxes levied for or on behalf of all local  
23 educational agencies within the project area.

24 (d) An agency shall transmit the payments to local educational  
25 agencies authorized by subdivision (b) on or before May 10, 2012.  
26 A record of each payment shall be transmitted concurrently to the  
27 Director of Finance and the Superintendent of Public Instruction.

28 (e) Local educational agencies that receive payments pursuant  
29 to this section shall use these payments only for schools located  
30 within the project area, schools attended by students residing in  
31 the project area, or schools that the agency has found benefit the  
32 redevelopment project.

33 (f) (1) The legislative body of an agency that makes the election  
34 and payment authorized by this section may adopt an ordinance  
35 amending the redevelopment plan to increase each of the following  
36 time limitations by two years:

37 (A) The time limitation on the establishing of loans, advances,  
38 and indebtedness to be paid with the proceeds of property taxes  
39 received pursuant to Section 33670.

1 (B) The time limitation on the effectiveness of the  
2 redevelopment plan.

3 (C) The time limitation to repay indebtedness with the proceeds  
4 of property taxes received pursuant to Section 33670.

5 (2) Adoption of the ordinance shall not be subject to Section  
6 33354.6, Article 12 (commencing with Section 33450), or any  
7 other provision of this part relating to the amendment of  
8 redevelopment plans.

9 (g) The amounts paid to local educational agencies pursuant to  
10 this section shall not be counted as having been allocated to the  
11 agency for the purpose of determining whether the limitation on  
12 the number of dollars allocated to the agency as set forth in the  
13 redevelopment plan or any agreement or court order has been  
14 reached.

15 (h) For the purposes of this section “local educational agencies”  
16 means school districts, community college districts, or county  
17 superintendents of schools that receive property tax revenues  
18 pursuant to Article 2 (commencing with Section 96) of Chapter 6  
19 of Part 0.5 of Division 1 of the Revenue and Taxation Code from  
20 property located within the project area.

21 (i) In adopting this section, the Legislature finds and declares  
22 that it is not requiring a community redevelopment agency to make  
23 payments of, or to assign a particular purpose for, taxes on ad  
24 valorem real property and tangible personal property allocated to  
25 the agency pursuant to Section 16 of Article XVI of the California  
26 Constitution to or for the benefit of the state, any agency of the  
27 state, or any jurisdiction, within the meaning of paragraph (7) of  
28 subdivision (a) of Section 25.5 of Article XIII of the California  
29 Constitution.

30 (j) This section shall not affect any other authority relating to  
31 making voluntary payments to local educational agencies, but  
32 rather is intended to authorize a specific method of making  
33 voluntary payments to local educational agencies in conjunction  
34 with the extension of the time limitations described in subdivision  
35 (f).

36 (k) Transfers of low- and moderate-income housing funds made  
37 pursuant to Section 65584.3 of the Government Code shall satisfy  
38 the requirements of this section for a voluntary suspension of the  
39 deposit of those funds for the 2011–12 fiscal year and payment of  
40 those amounts to the local educational agencies.



SEC. 4. Section 33607.6 is added to the Health and Safety Code, to read:

33607.6. (a) An agency may make a voluntary payment to local educational agencies from taxes allocated to the agency from a redevelopment project pursuant to Section 33670 by adopting the resolution described in subdivision (d). The decision to make the voluntary payment pursuant to this section is within the sole discretion of the agency. If the agency elects to make the payment authorized by this section, the payment shall be transmitted to the local educational agencies no later than May 10, 2012. Written confirmation of the payment shall be transmitted concurrently to the Director of Finance and the Superintendent of Public Instruction.

(b) The payments made pursuant to subdivision (a) shall constitute an indebtedness of the agency and shall be divided among the local educational agencies in proportion to their respective percentage share of property taxes levied for or on their behalf within the project area.

(c) Local educational agencies that receive a payment pursuant to this section shall use the payment only for schools located within the project area, schools attended by students residing in the project area, or schools that the agency has found benefit the redevelopment project.

(d) In order to make the payments authorized by this section, an agency shall adopt a resolution and transmit it to the Director of Finance no later than 60 days after the effective date of the act adding this section. The resolution shall do all of the following:

(1) Irrevocably pledge an amount calculated pursuant to subdivision (e) to local educational agencies.

(2) Include a finding that payments for schools located within the project area, attended by students residing within the project area, or otherwise benefiting the project area, will contribute to achieving the goals and objectives of the redevelopment plan.

(e) The amount of the payment authorized by this section shall be equal to either of the following, as determined by the agency:

(1) An amount equal to a specified percentage of net tax increment received by the agency from the project area in the 2011–12 fiscal year multiplied by 10.

(2) The estimated net proceeds of an agency bond issue or other obligation produced by a 10-year pledge of a specified percentage

1 of net tax increment received by the agency from the project area  
2 in the 2011–12 fiscal year. “Net proceeds” shall mean the gross  
3 principal amount of the bonds or other obligations less costs of  
4 issuance paid from bond proceeds, including, but not limited to,  
5 underwriters fees or discounts, bond counsel fees, fiscal consultant  
6 fees, reserve funds, funded interest, and other fees and costs  
7 customarily paid from bond proceeds.

8 (f) (1) The legislative body of an agency which makes a  
9 payment pursuant to this section may adopt an ordinance amending  
10 the applicable redevelopment plan to increase each of the following  
11 time limits by one year for each percent of net tax increment that  
12 is specified by the agency pursuant to paragraph (1) or (2) of  
13 subdivision (e), not to exceed 10 years:

14 (A) The time limit on the establishing of loans, advances, and  
15 indebtedness to be paid with the proceeds of property taxes  
16 received pursuant to Section 33670.

17 (B) The time limit on the effectiveness of the redevelopment  
18 plan.

19 (C) The time limit to repay indebtedness with the proceeds of  
20 property taxes received pursuant to Section 33670.

21 (2) Adoption of the ordinance shall not be subject to Section  
22 33354.6, Article 12 (commencing with Section 33450), or any  
23 other provision of this part relating to the amendment of  
24 redevelopment plans.

25 (g) The amount paid to local educational agencies pursuant to  
26 this section shall not be counted as having been allocated to the  
27 agency for the purpose of determining whether the limitation on  
28 the number of dollars allocated to the agency as set forth in the  
29 redevelopment plan, or any agreement or court order has been  
30 reached.

31 (h) For the purposes of this section, both of the following terms  
32 shall have the following meanings:

33 (1) “Local educational agencies” means school districts,  
34 community college districts, or county superintendents of schools  
35 that receive property tax revenues pursuant to Article 2  
36 (commencing with Section 96) of Chapter 6 of Part 0.5 of Division  
37 1 of the Revenue and Taxation Code on property located within  
38 the project area.

39 (2) “Net tax increment” shall mean the annual gross tax  
40 increment received by the agency, less payments to taxing agencies

1 pursuant to Section 33607.5 or 33607.7, or an agreement with a  
2 taxing agency entered into pursuant to former Section 33401.

3 (i) In adopting this section, the Legislature finds and declares  
4 that it is not requiring a community redevelopment agency to make  
5 payments of, or to assign a particular purpose for, taxes on ad  
6 valorem real property and tangible personal property allocated to  
7 the agency pursuant to Section 16 of Article XVI of the California  
8 Constitution to or for the benefit of the state, any agency of the  
9 state or any jurisdiction, within the meaning of paragraph (7) of  
10 subdivision (a) of Section 25.5 of Article XIII of the California  
11 Constitution.

12 (j) This section shall not affect any other authority relating to  
13 making voluntary payments to local educational agencies, but  
14 rather is intended to authorize a specific method of making  
15 voluntary payments to local educational agencies in conjunction  
16 with the extension of the time limits described in subdivision (e).

17 SEC. 5. Section 33607.65 is added to the Health and Safety  
18 Code, to read:

19 33607.65. (a) For purposes of this section, an “authorized  
20 issuer” is limited to a joint powers entity created pursuant to Article  
21 1 (commencing with Section 6500) of Chapter 5 of Division 7 of  
22 Title 1 of the Government Code that consists of no less than 100  
23 local agencies issuing bonds pursuant to the Marks-Roos Local  
24 Bond Pooling Act of 1984 (Article 4 (commencing with Section  
25 6584) of Chapter 5 of Division 7 of Title 1 of the Government  
26 Code).

27 (b) An authorized issuer may issue bonds, notes, or other  
28 evidence of indebtedness and loan the net proceeds to one or more  
29 agencies for use by the agency to timely make the payment  
30 authorized by Section 33607.6. An agency may enter into an  
31 agreement with an authorized issuer to repay a loan used to make  
32 the payment authorized by Section 33607.6 if the legislative body  
33 adopts a resolution that recites that a first lien on the property tax  
34 revenues allocated to the legislative body will be created in  
35 accordance with subdivision (i).

36 (c) For the purpose of calculating the amount that has been  
37 divided and allocated to the agency to determine whether the  
38 limitation on the number of dollars allocated to the agency as set  
39 forth in the redevelopment plan or any agreement or court order  
40 that has been reached, any funds used to repay a loan entered into

1 pursuant to subdivision (b) shall be deducted from the amount of  
2 property tax revenue deemed to have been received by the agency.

3 (d) Any loan, indebtedness, or other obligation entered into by  
4 the agency in order to make the payment authorized by subdivision  
5 (d) of Section 33607.6 shall not be counted toward the limit on  
6 the amount of bonded indebtedness that can be outstanding at one  
7 time as set forth in the agency's plan pursuant to Section 33334.1.

8 (e) A loan made pursuant to this section shall be repayable by  
9 the agency from any available funds of the agency not otherwise  
10 obligated for other uses and shall be repayable by the agency on  
11 a basis subordinate to all existing and future obligations of the  
12 agency.

13 (f) Upon making a loan to an agency pursuant to this section,  
14 the trustee for the bonds issued to provide the funds to make the  
15 loan shall timely pay, on behalf of the agency, to the local  
16 educational agencies the net proceeds (after payment of costs of  
17 issuance, credit enhancement costs, and reserves, if any) of the  
18 loan in payment in full or in part, as directed by the agency, of the  
19 amount elected to be paid by the agency pursuant to Section  
20 33607.6 and shall provide the county auditor with the repayment  
21 schedule for the loan, together with the name of the trustee.

22 (g) In the event the agency shall fail to repay timely, at any time  
23 and from time to time, the loan in accordance with the schedule  
24 provided to the county auditor, the trustee for the bonds shall  
25 promptly notify the county auditor of the amount of the payment  
26 on the loan that is past due.

27 (h) The county auditor shall reallocate from the legislative body  
28 and shall pay, on behalf of the agency, the past due amount from  
29 the first available proceeds of the property tax allocation that would  
30 otherwise be transferred to the legislative body pursuant to Chapter  
31 6 (commencing with Section 95) of Part 0.5 of Division 1 of the  
32 Revenue and Taxation Code. This transfer shall be deemed a  
33 reallocation of the property tax revenue from the legislative body  
34 to the agency for the purpose of payment of the loan, and not as a  
35 payment by the legislative body on the loan.

36 (i) If the legislative body adopts a resolution pursuant to  
37 subdivision (b), then to secure repayment of a loan to an agency  
38 made pursuant to this section, the trustee for the bonds issued to  
39 provide the funds to make the loan shall have a lien on the property  
40 tax revenues allocated to the legislative body pursuant to Chapter

6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code. This lien shall arise by operation of this section automatically upon the making of the loan without the need for any action on the part of any person. This lien shall be valid, binding, perfected, and enforceable against the legislative body, its successors, creditors, purchasers, and all others asserting rights in those property tax revenues, irrespective of whether those persons have notice of the lien, irrespective of the fact that the property tax revenues subject to the lien may be commingled with other property tax revenues, and without the need for physical delivery, recordation, public notice, or any other act. This lien shall be a first priority lien on these property tax revenues. This lien shall not apply to any portion of the property taxes allocated to the agency pursuant to Section 33670.

SEC. 6. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to make necessary improvements and reforms to this important local economic development tool that ensure that redevelopment funds are used appropriately for projects which create jobs, remove blighting conditions, generate sales tax, income tax, and other revenues which benefit both local and state revenues, and preserve housing funds that are needed to house elderly individuals and working families, it is necessary that this act take effect immediately.

SEC. 7. This act addresses the fiscal emergency declared and reaffirmed by the Governor by proclamation on January 20, 2011, pursuant to subdivision (f) of Section 10 of Article IV of the California Constitution.

O